

Commission En Banc Hearing¹

Electric Costs and Rates in California: Can We Afford the Future?

February 24, 2021 - 9:30 am to 4:45 pm

Webcast: http://www.adminmonitor.com/ca/cpuc/en_banc/20210224/

Public Comment: 800-857-1917; passcode: 5180519#

Members of the public may submit informal written comments to CostsEnBanc@cpuc.ca.gov.

Reasonable Accommodations: If specialized accommodations are needed to attend, such as non-English or sign language interpreters, please contact the CPUC's Public Advisor's Office at public.advisor@cpuc.ca.gov or toll free at 866-849-8390 no later than February 17, 2021.

The California Public Utilities Commission (CPUC) will hold an Electric Costs and Rates *En Banc* hearing on February 24, 2021. The *En Banc* hearing will assemble a diverse panel of experts from academia, industry, environmental justice, and consumer advocacy to consider issues related to a CPUC-authored white paper on California utility cost and rate trends for the next ten years, and how such costs may impact California's critical climate, electrification, and building decarbonization goals while maintaining affordable service for California's investor-owned utility customers. A non-exhaustive list of sample topics is included with each panel below.

While a quorum of Commissioners may be present at the *En Banc* hearing, no vote or action will be taken on any agenda item.

9:30-10:00a – Welcome and Introductions

- CPUC President Marybel Batjer and Commissioner Genevieve Shiroma
- Special Legislative Guests – Assemblymember Chris Holden and Senator Ben Hueso
- CEC Chair David Hochschild
- CAISO CEO Elliot Mainzer

10:00-10:45a – Staff Presentation on Energy Division White Paper: A Glimpse into Future Electric Costs and Rates

- Highlights of white paper with explanation of drivers of current electric rate trends and scenarios of future cost and rate forecasts

¹ This is a public hearing under the Commission's Rule of Practice and Procedure, Rule 8.1(c)(3).

- Explanation of staff consultant (E3) cost model inputs and assumptions, as well as scenarios demonstrating cost, rate, and bill trends and what they mean for energy affordability

Introduction by Edward Randolph, CPUC Deputy Executive Director for Energy and Climate Policy

Staff Presenters:

- Paul Phillips, Retail Rates Supervisor, Energy Division
- Nathan Barcic, Generation & Transmission Planning Supervisor, Energy Division
- Elaine Sison-Lebrilla, FERC-Electric Costs Supervisor, Energy Division

10:45a-12:00p – Panel One: Can We Afford the Future?

- Will increasing electric rates send price signals that jeopardize transportation and building electrification? How sensitive are prospective electric vehicle and appliance buyers to electric prices?
- Will increasing electric rates threaten affordability, especially for those customers who are unable to shift their use away from peak periods or reduce their exposure to electricity prices with behind-the-meter solar and storage?
- Do current cost and rate trends raise distributional equity issues across generations, socio-economic classes, customer classes, climate zones, and/or utility service territories?

Moderator: Dorothy Duda, Market Structure, Costs, & Natural Gas Branch Manager, Energy Division

Panelists:

- Mike Campbell, Electricity Pricing and Customer Programs Branch Manager, Public Advocates Office
- Mad Stano, Senior Legal Counsel, Greenlining Institute
- Michael Colvin, Director of Regulatory and Legislative Affairs, Environmental Defense Fund
- David Rapson, UC Davis Professor of Economics and Director of Energy Economics Program
- David Wells Roland-Holst, UC Berkeley Professor of Economics

12:00-1:00p – Lunch Break

1:00-2:30 – Panel Two: What Strategies for Cost Control or Reduction Do We Need to Explore?

- What are the most promising opportunities for utility cost reductions, and what steps need to be taken to achieve them?
- What factors are driving the rise in FERC-jurisdictional transmission costs, and what strategies can we employ to reverse the rise?
- What lessons have California utilities garnered regarding spending efficiency as they climb the learning curve of wildfire-related spending?
- Are there changes to the Commission and/or FERC's decision-making processes that could encourage the approval of lower utility revenue requirements over time?
- Are there benefits to the California economy from increasing investments in renewable generation resources, wildfire mitigation, and transportation electrification?

Moderator: Leuwam Tesfai, Chief of Staff to CPUC Commissioner Shiroma

Panelists:

- Robert Kenney, Vice President of Regulatory and External Affairs, PG&E
- Carla Peterman, Senior Vice President of Strategy and Regulatory Affairs, SCE
- Scott Crider, Chief Customer Officer, SDG&E
- Jennifer Dowdell, Senior Policy Expert, The Utility Reform Network
- Betony Jones, Advisor, NextGen Policy, and CEO, Inclusive Economics
- Rick Umoff, Senior Director and Counsel, Solar Energy Industries Association (SEIA)

2:30-2:45p – Break

2:45-4:00p – Panel Three: Do We Need a Paradigm Shift in How California Funds Climate Change Initiatives?

- How does funding public policy programs through electric rates impact our ability to achieve state climate goals, provide affordable electric service, and distribute program costs equitably across low, medium, and high income customers?
- Should California consider funding public policy programs like wildfire mitigation and transportation electrification through sources other than electric rates?
- What are the barriers to paying for public policy programs through non-ratepayer funded sources?
- How can we design rates to mitigate the impact of rising costs?

Moderator: Edward Randolph, Deputy Executive Director for Energy and Climate Policy, CPUC

Panelists:

- Severin Borenstein, UC Berkeley Professor of Business Administration and Public Policy, Faculty Director of the Energy Institute at Haas, and member of the CAISO Board of Governors
- Mark LeBel, Associate, Regulatory Assistance Project
- Michael Wara, Director, Climate and Energy Policy Program, Woods Institute for the Environment, Stanford University
- Anthony Kinslow II, CEO, Gemini Energy Solutions and Stanford University Lecturer
- Mark Toney, Executive Director, The Utility Reform Network

4:00-4:15p – Closing Remarks from Commissioner Shiroma

4:15-4:45p – Public Comment

- To make public comment, dial 1-800-857-1917, passcode 5180519#, then press Star One on your keypad to connect with our operator who will put you in the queue. If you wish to cancel, press Star Two.